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BY THE HOUSE OF DELEGATES.

MAY 5th, 1853.

Read and ordered to be printed.

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R E P L Y

OF

THE STATE TREASURER

TO AN ORDER OF THE

HOUSE OF DELEGATES

IN RELATION TO THE

Balt. and Susquehanna Railroad Co.



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# TREASURER'S OFFICE,

ANNAPOLIS, May 4th, 1853.

Hon. ELIAS WARE, Jr.,

*Speaker of the House of Delegates :*

In answer to an "order" of the House of Delegates, of the 30th ultimo, requiring the Treasurer to "report the whole amount which the State has in the Baltimore and Susquehanna Railroad Company, either by subscription of stocks, loans, bonds, for arrears of interest, or for arrears of interest now due on loans to said company ; also the amount and extent of claims which the State has, by mortgage or otherwise, on the York and Gettysburgh Railroad Company," the undersigned submits the following:—

In pursuance of chapter 119, of December Session, 1830, the State became a stockholder in the Baltimore and Susquehanna Railroad Company to the amount of . . . . .	.....	\$100,000 00
The said Company accepting, in payment thereof, certificates of stock of the State at par, bearing an annual interest of $4\frac{1}{2}$ per centum.		
The State holds twelve bonds of the said Company, viz:		
7 bonds, together amounting to	\$1,000,000 00	
That being the extent of the loan authorised by chapter 241, of 1834.		
1 bond, as per chapter 302, of 1837, for.....	252,000 00	
1 bond, { as p. c. 395, of '38 } { as " 20, of '39 }	632,045 31	
Making as the amount of the bonds held by the State, for loans to the said Company..	\$1,884,045 31	
Also three other bonds for the arrears of interest due to the State on the 1st January, 1851, and payable without interest the 28th February, 1866, each for \$345,326.92,	1,035,980 76	
Amount carried forward,		

Amount brought forward, .....	\$ 100,000 00
Which, when added to the above, makes the bonded debt due the State by the said Company.....	2,920,026 07
There was due to the State, as interest upon the above loans, on the 1st April, 1853, the further sum of.....	84,654 08
Which, with the above, makes, in the words of the order, the "whole amount which the State has in the Baltimore and Susquehanna Railroad Company, either by subscription of stocks, loans, bonds, for arrears of interest, or for arrears of interest now due on loans.".....	<u>\$3,104,680 15</u>

By an act of December Session, 1847, chapter 196, providing for the funding of the arrears of interest due by the said Company to the State, among other things, the said Company was required to pay 6 per centum upon the loans made under chapter 241, of 1834, chapter 302, of 1837, chapter 395, of 1838, and chapter 20, of 1839. Those loans, in the aggregate, amount to \$1,884,045.31, which, at 6 per centum per annum, makes, as the annual interest due the State by the said Company, \$113,042.72.

The annual interest payable by the State, on account of her issues of certificates of stock and bonds for the benefit of the said Company, as per

Chap. 241, of 1834, \$1,000,000.00, at 6 p. ct., is	\$60,000 00
" 302, of 1837, 500,000.00, at 3 " is	15,000 00
" 395, of 1838, 88,710.97, at 5 " is	4,435 55
" 20, of 1839, 543,334.34, at 6 " is	32,600 06
<u>\$2,132,045.31</u>	<u>\$112,035 61</u>

If to which there be added the interest annually payable by the State on her issues of certificates of stock, to pay her subscription of \$100,000 to the capital stock of the said Company, at  $4\frac{1}{2}$  per centum, per chapter 119, of 1830, viz:.....

4,500 00

It makes, as the annual charge upon the Treasury, on account of the State's issues of stock and bonds for the benefit of the said Company.....

\$116,535 61

It will be noticed that the State has, by the acts of the General Assembly referred to above, incurred a debt of \$2,132,045.31, and that for its repayment the said Company has executed to the State bonds amounting to \$1,884,045.31. This last mentioned sum being the entire amount loaned by the State to the said Company. The difference between the obligations of the State to her creditors, and the obligations of the said Company to the State being \$248,000. This difference is accounted for by the sale of the stock authorised to be issued per chapter 302 of 1837. That act directed the Commissioner of Loans to issue certificates of stock or bonds of the State to the amount of \$500,000 bearing interest at the rate of three per centum per annum ; to deliver one of the said certificates of stock or bonds of the State, for the amount of \$100,000, to the then Treasurer of the Western Shore, to be applied by him to constitute a Sinking Fund for the redemption of the debt thus authorised, and to sell the residue of said stock or bonds on the *best terms to be obtained*, the proceeds thereof to be held subject to the order of the Treasurer, and by him to be paid to the President and Directors of the said Company or to their order. The \$400,000 was sold at the rate of \$63 for every \$100, producing \$252,000 in cash, which was paid over as directed to the said Company. Which if deducted from the \$500,000, authorised to be issued, leaves the above difference of \$248,000.

The payment of the interest and principal of the above mentioned loans was professedly secured to the State by three several deeds of mortgages from the said Company, bearing date as follows : First—of the 26th May, 1835, for the loan authorised by chapter 241 of 1834. Second—of the 12th May, 1838, for that authorised by chapter 302 of 1837 ; and third—of the 12th June, 1838, for that authorised by chapter 395 of 1838. The act, chapter 20 of 1839, changes an amount of the stock not exceeding \$663,196.66, authorised to be issued by chapter 395 of 1838, from five into six per cent. and is covered by the last mentioned deed of mortgage. By these several mortgages the Baltimore and Susquehanna Railroad Company conveys all and singular the lands, tenements, capital stock, estate and securities, goods and chattles, property and rights now (then) or at any time hereafter (th-ereafter) to be acquired and the nett tolls and revenues to the State of Maryland, for the prompt payment of the interest and principal of the loans made by the State to the said Company.

The York and Maryland Line Railroad Company by a deed of mortgage, dated the 28th August, 1835, doth give, grant, bargain and sell, convey and assign, transfer and pledge, unto the State of Maryland, the nett tolls and revenues of the said road to be completed from the Maryland line to the Borough of York, to be void, however, if the State is saved harmless from any loss on account of the loan made per chapter 241 of 1834, agreeable to the fifth section thereof.

By articles of agreement between the Baltimore and Susquehanna and Wrightsville, York and Gettysburgh Railroad Companies, made the 20th November, 1852, it is agreed among other things, "that the road between Baltimore and Wrightsville shall be considered an unit as regards all the earnings over the Baltimore and Susquehanna, York and Maryland Line and Wrightsville, York and Gettysburgh Railroads proper."

The Baltimore and Susquehanna Railroad Company holds a majority of the stock of the Wrightsville, York and Gettysburgh Railroad Company. It works the road and receives and disburses all the revenues. The Wrightsville, York and Gettysburgh Railroad Company being indebted to the Baltimore and Susquehanna Railroad Company for money loaned to complete their road, and the last named Company being desirous to make said loan available, the Wrightsville, York and Gettysburgh Railroad Company issued quarterly Coupon Bonds, payable (in fifteen years from the 15th November last) to the order of the said Baltimore and Susquehanna Railroad Company. Which said bonds have been endorsed by the said last named Company, and payable to bearer for the amount of \$130,000.

Very respectfully,

Your ob't serv't,

J. S. OWENS,  
*Treasurer of Maryland.*





